

Hill uncertainty shouldn't delay investment says FERC's Spitzer Restructuring Today

As of 2/21/2007

FERC Commissioner Marc Spitzer approves of evolving policies affecting FERC and those within FERC affecting wholesale power markets, he told attendees at NARUC's winter meeting in Washington yesterday.

A state regulator during the Q&A cited uncertainty created by the climate change debate on Capitol Hill.

Should regulators hold off on making decisions, the regulator asked Spitzer, or dive in now and then "back off" later as needed.

State regulators need to deal with the issues -- whether to site a new plant or permit a new transmission line -- one case at a time, said Spitzer.

Congress may act on climate change, he noted, and other policy issues may or may not be resolved, too.

"I am very mindful of the need for investment," he said.

"The need is a fact in gas and electricity, primarily in natural gas," Spitzer added.

But investment may be deferred due to reasonable concerns, he reminded.

Spitzer likes FERC's newly-realized ability to assess penalties, he said in his prepared remarks, in the interest of fair play because it helps protect users from unconscionable retail prices.

Congress gave FERC new policing power in the 2005 Energy Policy Act and none too soon, he added.

States traditionally oversee regional resource planning, he said, but FERC's "backstop" role gives it some jurisdiction in regional planning.

If he comes to help arbitrate at a regional planning meeting, Spitzer may not agree with the local experts but he sometimes defers to their judgment, he reported.

That's true if they have a perspective that rings truer than his own, he admitted.

"I am respectful of a consensual process," he noted.